



**METROPOLITAN
TRANSPORTATION
COMMISSION**

Joseph P. Bort MetroCenter
101 Eighth Street
Oakland, CA 94607-4700
TEL 510.817.5700
TDD/TTY 510.817.5769
FAX 510.817.5848
E-MAIL info@mtc.ca.gov
WEB www.mtc.ca.gov

Agenda Item 2d

Memorandum

TO: Administration Committee

DATE: July 2, 2014

FR: Deputy Executive Director, Operations

W.L.: 1611

RE: Contract – Priority Development Area (PDA) Development Feasibility and Readiness Assessment
Update: Economic & Planning Systems, Inc. (\$250,000)

This memorandum requests the Committee's approval to enter into a sole source contract in an amount not to exceed \$250,000 with Economic & Planning Systems, Inc. (EPS), to update the Priority Development Area Development Feasibility and Readiness Assessment (PDA Assessment) initially completed in 2013 as a supplementary report to Plan Bay Area.

Background

In 2012, MTC oversaw analysis to assess the readiness of PDAs to accommodate housing projected in 2040, the horizon year of Plan Bay Area, by evaluating a sample of twenty PDAs representing a variety of place types and market conditions. The PDA Assessment focused on an evaluation of housing capacity, the existing planning and entitlement process in the PDA sample jurisdictions, the level of community support for development (as demonstrated by elected official approval of PDA-supportive land uses as well as history of neighborhood opposition), market attractiveness, infrastructure capacity, unfunded needs and financing capability. Completed in 2013 and included as a supplementary report to Plan Bay Area, the PDA Assessment found that the baseline readiness of the PDA sample to take on residential growth was 60% of the 2040 forecast. With the implementation of a range of policy and financial interventions, the Assessment estimated an increase in the development capacity of the PDA sample to 80% or more.

The settlement agreement between the Building Industry Association Bay Area and MTC/ABAG to settle litigation in the matter *Building Industry Association Bay Area v. Association of Bay Area Governments, et al.* (Alameda County Superior Court Case No. RG13692098) calls for an update of the PDA Assessment analysis in advance of the update to Plan Bay Area. An update to the analysis offers an opportunity to assess market conditions that have significantly changed in many PDAs since the initial PDA Assessment was completed. The PDA Assessment update will consider these changes and their effect on PDAs to accommodate residential growth. The update will also evaluate a larger sample of PDAs offering a more complete picture of the opportunities and challenges for future residential growth within PDAs, as well as the policy, financial and legislative changes to facilitate that growth.

Scope of Work

The update to the feasibility analysis will be prepared in consultation with stakeholders, in a manner comparable to the PDA Assessment undertaken for Plan Bay Area, and will include analysis of local land use policies, market demand, financial feasibility, site related issues, financing and infrastructure needs.

Because EPS completed the initial PDA Assessment under a competitively procured contract, EPS staff is familiar with the PDA Assessment framework and data, and would be able to begin work immediately. This will help to ensure that MTC and ABAG have ample time to complete the PDA Assessment update so that results of the analyses will inform the update to Plan Bay Area, as well as meet the completion timeframe for the work outlined in the settlement agreement.

Recommendation

Staff recommends that the Committee authorize the Executive Director or his designated representative to negotiate and enter into a sole source contract with EPS in an amount not to exceed \$250,000 to update the PDA Assessment initially completed in 2013 as a supplementary report to Plan Bay Area.



Andrew B. Fremier

REQUEST FOR COMMITTEE APPROVAL
Summary of Consultant Contract

Work Item No.:	1611
Consultant:	Economic & Planning Systems, Inc., Oakland, CA
Purpose of Project/Brief Scope of Work:	Update to the Priority Development Area (PDA) Development Feasibility and Readiness Assessment, including an analysis of local land use policies, market demand, financial feasibility, site related issues, financing and infrastructure needs.
Project Cost Not to Exceed:	\$250,000 (FY 2014-15)
Funding Source:	General Fund
Fiscal Impact:	\$250,000 is included in the FY 2014-15 agency budget.
Motion by Committee:	That the Executive Director or his designee is authorized to negotiate and enter into a sole source contract with Economic & Planning Systems to update the PDA Development Feasibility and Readiness Assessment as described above and in the Deputy Executive Director's Memorandum dated July 2, 2014, and that the Chief Financial Officer is authorized to set aside funds (\$250,000) from the FY 2014-15 Agency Budget for this purpose.
Admin. Committee:	<hr/> Adrienne J. Tissier, Chair
Approved:	Date: July 9, 2014